



## City Council Agenda Item

**City Council Meeting Date:** August 5, 2025

**TO:** Dean Albro, City Manager

**FROM:** Kristin Worthley, Senior Administrative Analyst  
k\_worthley@ci.lompoc.ca.us

**SUBJECT:** Approval of Cost Sharing and Reimbursement Agreement for Santa Ynez River Valley Groundwater Basin Western Management Area Groundwater Sustainability Agency, a Joint Powers Authority

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### **Recommendation:**

Staff recommends the City Council approve and authorize the City Manager to execute the Santa Ynez River Valley Groundwater Basin Western Management Area Groundwater Sustainability Agency Joint Powers Authority Cost Sharing and Reimbursement Agreement (WMA Agreement) (attached).

### **Background:**

In 2014, the State of California enacted the Sustainable Groundwater Management Act (SGMA). Pursuant to SGMA, certain agencies may become or participate in a Groundwater Sustainability Agency (GSA) and prepare, adopt, and implement a Groundwater Sustainability Plan (GSP) to achieve sustainable groundwater management in basins throughout the State. SGMA defines a groundwater "basin" as a basin or sub-basin identified and defined in California Department of Water Resources Bulletin 118 or as modified pursuant to SGMA.

Vandenberg Village Community Services District (VVCSD), Mission Hills Community Services District (MHCS), the Santa Ynez River Water Conservation District (SYRWCD), the Santa Barbara County Water Agency, and the City (collectively the Agencies) comprise the local agency located within the WMA, a sub-basin of the Santa Ynez River Valley Groundwater Basin (SYRVGB). After considerable time and effort, the Agencies formed the WMA GSA Joint Powers Authority (JPA), effective November 28, 2023. The JPA replaced the Memorandum of Understanding that the WMA GSA was operating under since the formation of the WMA GSA. Similar actions occurred to form Joint Powers Authorities for the Central Management Area and the Eastern Management Area of the SYRVGB. The three management areas comprise the Santa Ynez River Valley Groundwater Basin's GSAs.

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Since its formation, the Agencies have shared the costs associated with SGMA implementation: SYRWCD 50%; Lompoc 25%; MHCSD 12.5%; VVCSD 12.5%. Now, the WMA is in the process of adopting groundwater pumping fees that will be used to fund the WMA. The Agencies have prepared a draft agreement to address this change in funding mechanism, and to address any potential shortfalls in WMA funding.

**Discussion:**

The proposed WMA Agreement comes to the City Council in the context of WMA efforts to adopt self-sustaining fees that will, along with continued grant funding, be used to meet WMA budget requirements. The WMA Agreement confirms the Agencies' continued commitments to cost sharing, but also clarifies that additional "cash calls" to meet budget deficits are only to address a shortfall in WMA funding not covered by grants and WMA fees. Lompoc will pay pumping fees to the WMA, but staff anticipates that future cash calls will be limited in nature. To the extent cash calls are required, however, the WMA Agreement confirms Lompoc's obligation will not exceed 25% thereof.

**Fiscal Impact:**

Exact impact can not be specified at this time, except that the WMA Agreement confirms that Lompoc's obligation to provide cash call contributions will not exceed 25% thereof. Lompoc's cost share in FY2024-25, prior to implementation of the self-sustaining fee structure, was \$62,500. Staff expects any potential cash calls would be less than that amount, and likely significantly less. The City has an expense account in the Water Department for any cash call expenses and those costs will not impact the General Fund.

**Conclusion:**

Staff recommends approval of the WMA Agreement, which confirms that the primary funding mechanisms for the WMA will be grant funding and WMA pumping fees, supplemented by cash calls in the specified percentages only when necessary.

Respectfully submitted,

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Kristin Worthley, Senior Administrative Analyst

**APPROVED FOR SUBMITTAL TO THE CITY MANAGER:**

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Michael Luther, Utility Director

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**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

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Dean Albro, City Manager

Attachment: Santa Ynez WMA Joint Powers Authority Cost Sharing and Reimbursement Agreement